



NEWS RELEASE

US DEPARTMENT OF THE INTERIOR ■ BUREAU OF LAND MANAGEMENT
NEW MEXICO STATE OFFICE ■ 1474 RODEO RD ■ SANTA FE NM 87505

Hans Stuart ■ Public Affairs Chief ■ 505.438.7510

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For Additional Information
Celia Boddington 202-452-5125
Hans Stuart 505-438-7514

BLM Proposes Regulatory Changes to Recover Costs of Processing Minerals-Related Documents

The Bureau of Land Management will publish in tomorrow's *Federal Register* a proposed set of regulation changes that would enable the agency to recover more of its costs in processing documents related to mineral operations on public lands. The regulatory proposal would authorize the BLM to increase existing or set new fees for environmental-impact studies, monitoring activities, and other processing-related actions.

"Our proposal is aimed at setting fair fees so our agency can recover reasonable costs resulting from the processing of minerals-related permit applications," said Thomas Lonnie, BLM Assistant Director for Minerals, Realty and Resource Protection.

The BLM had published a cost-recovery proposal in December 2000 that would have covered processing costs related only to solid minerals, such as gold, copper, coal, phosphate, sodium, and sand and gravel. Tomorrow's proposal, which supersedes the earlier one, adds fluid minerals (such as oil and gas) to the types of documents that would be affected by the cost-recovery provisions. More specifically, the new regulatory proposal would cover oil and gas Applications for Permits to Drill (APDs), geothermal permits to drill (GPD), and geophysical exploration permits. The new fees pursuant to these changes would be phased in over a period of up to five years. The first-year fees would be \$1,600 for APDs and GPDs and \$500 for geophysical exploration permits. Second-year and following year rates would increase by \$500 until the full fee is met. In the case of APDs, the full fee would be \$4,000; for GPDs, the full fee would be \$3,500; and for geophysical exploration permits, the fee would rise to \$2,500. Currently, there are no fees for geophysical permits.

The BLM is publishing its proposal, which is technically a re-proposal of the December 2000 version, in tomorrow's *Federal Register*, opening up a 30-day public comment period that will close on August 18, 2005. The BLM is taking this action because of the amount of time that has elapsed since the Bureau published its original proposal. Since December 2000, the BLM has further reviewed the data on which it is basing its cost-recovery proposal, whose publication tomorrow gives the public an opportunity for additional input before the BLM develops a final rule.

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Minerals Cost Recovery (continued)

The re-proposal responds to recommendations in reports by the Interior Department's Office of the Inspector General, which found that the BLM needed to do more to recover its document-processing costs. The Bureau estimates that once the phased-in fees are fully implemented, the agency will recover about \$23.5 million more annually in mineral processing receipts than it receives under existing regulations.

The regulatory proposal would establish two types of fees. One type, known as case-by-case fees, would cover BLM actions whose costs vary widely from one application to the next. The other type, fixed fees, would cover costs that are based on reliable data and are predictable. While case-by-case fees are more accurate in recovering actual costs than fixed fees, determining actual costs requires much more work by the BLM and ultimately increases the costs that the agency is seeking to recover. In cases where the Bureau cannot establish a reliable fixed fee, the rulemaking proposal would require the calculation of a case-specific fee.

Comments on the proposal should be submitted in writing to: Director (630), Bureau of Land Management, Eastern States Office, 7450 Boston Boulevard, Springfield, Virginia 22153, Attention: RIN 1004-AD42. For hand delivery of comments, the address is: Bureau of Land Management, 1620 L Street, N.W., Suite 401, Washington, D.C. 20036. To comment electronically, please e-mail comments directly to the BLM's Washington Office comment box (Comments_washington@blm.gov).

The BLM, an agency of the U.S. Department of the Interior, manages more land – 261 million surface acres – than any other Federal agency. Most of this public land is located in 12 Western states, including Alaska. The Bureau, with a budget of about \$1.8 billion, also administers 700 million acres of sub-surface mineral estate throughout the nation. The BLM's multiple-use mission is to sustain the health and productivity of the public lands for the use and enjoyment of present and future generations. The Bureau accomplishes this by managing such activities as outdoor recreation, livestock grazing, mineral development, and energy production, and by conserving natural, historical, cultural, and other resources on the public lands.